

Senate File 2026

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SENATE FILE 2026

AN ACT

RELATING TO THE PHASEOUT OF THE SALES AND USE TAXES ON THE
SALE AND FURNISHING OF GAS, ELECTRICITY, AND FUEL TO
RESIDENTIAL CUSTOMERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 423.3, as enacted by 2003 Iowa Acts,
First Extraordinary Session, chapter 2, section 96, is amended
by adding the following new subsection:

NEW SUBSECTION. 84. a. Subject to paragraph "b", the
sales price from the sale or furnishing of metered gas,
electricity, and fuel, including propane and heating oil, to
residential customers which is used to provide energy for
residential dwellings and units of apartment and condominium
complexes used for human occupancy.

b. The exemption in this subsection shall be phased in by
means of a reduction in the tax rate as follows:

(1) If the date of the utility billing or meter reading
cycle of the residential customer for the sale or furnishing
of metered gas and electricity is on or after January 1, 2004,
through December 31, 2004, or if the sale or furnishing of
fuel for purposes of residential energy and the delivery of
the fuel occurs on or after January 1, 2004, through December
31, 2004, the rate of tax is two percent of the sales price.

(2) If the date of the utility billing or meter reading
cycle of the residential customer for the sale or furnishing
of metered gas and electricity is on or after January 1, 2005,
through December 31, 2005, or if the sale or furnishing of
fuel for purposes of residential energy and the delivery of
the fuel occurs on or after January 1, 2005, through December
31, 2005, the rate of tax is one percent of the sales price.

(3) If the date of the utility billing or meter reading
cycle of the residential customer for the sale or furnishing
of metered gas and electricity is on or after January 1, 2006,
or if the sale, furnishing, or service of fuel for purposes of
residential energy and the delivery of the fuel occurs on or
after January 1, 2006, the rate of tax is zero percent of the
sales price.

c. The exemption in this subsection does not apply to
local option sales and services tax imposed pursuant to
chapters 423B and 423E.

JEFFREY M. LAMBERTI
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2026, Eightieth General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2004

THOMAS J. VILSACK
Governor